

SENATE BILL 2294

By Watson

AN ACT to amend Tennessee Code Annotated, Title 65, Chapters 2 and 4, relative to intervention in certain proceedings before the Tennessee Regulatory Authority.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 65, Chapter 4, Part 1, is amended by adding the following language as a new, appropriately designated section:

**§ 65-4-126.**

(a) It is the legislative intent that:

(1) The provisions of this section shall apply to all contested case and rulemaking proceedings of the Tennessee regulatory authority which may affect the rates, terms, or conditions of service of public utilities.

(2) The provisions of this section shall be administered in a manner that encourages the effective and efficient participation of all groups that have a stake in the public utility regulation process.

(3) Intervenors shall be compensated for making a substantial contribution to proceedings of the authority, as determined by the authority in its orders and decisions.

(4) Intervenor compensation shall be awarded to eligible intervenors in a timely manner, within a reasonable period after the intervenor has made the substantial contribution to a proceeding that is the basis for the compensation award.

(5) This section shall be administered in a manner that avoids unproductive or unnecessary participation that duplicates the participation of

similar interests otherwise adequately represented or participation that is not necessary for a fair determination of the proceeding.

(b) Participation by a customer that materially supplements, complements, or contributes to the presentation of another party, including the authority staff, may be fully eligible for compensation if the participation makes a substantial contribution to an authority order or decision, consistent with this section. The authority shall award reasonable advocate's fees, reasonable expert witness fees, and other reasonable costs of preparation for and participation in a hearing or proceeding to any customer who complies with this section and the customer's presentation makes a substantial contribution to the adoption, in whole or in part, of the authority's order or decision.

(c) The computation of compensation awarded pursuant to this section shall take into consideration the market rates paid to persons of comparable training and experience who offer similar services. The compensation awarded may not, in any case, exceed the comparable market rate for services paid by the authority or the public utility, whichever is greater, to persons of comparable training and experience who are offering similar services.

(d) Any award made under this section shall be paid by the public utility which is the subject of the proceeding, as determined by the authority, within thirty (30) days. Notwithstanding any other provision of law, any award paid by a public utility pursuant to this section shall be allowed by the authority as an expense for the purpose of establishing rates of the public utility by way of a dollar-for-dollar adjustment to rates imposed by the authority immediately on the determination of the amount of the award, so that the amount of the award shall be fully recovered within one (1) year from the date of the award.

(e) The authority shall deny any award to any customer who attempts to delay or obstruct the orderly and timely fulfillment of the authority's responsibilities.

SECTION 2. This act shall take effect on July 1, 2007, the public welfare requiring it.